

QUARTERLY REPORT: MARCH 2012

PURPOSE

To table report to the Mayoral Committee for information.

BACKGROUND

Section 52. The mayor of a municipality—

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality;

1. Expenditure

The following table reflects expenditure in the GFS (General Finance Statistics) format. For inclusiveness the figures reflects the picture for nine months.

The following factors are contributing to variances:

- ✓ Depreciation that will only be charged out during May/ June,
- ✓ Led PPP project,
- ✓ The disaster center not yet fully functional.

GFS classification	Original Budget	Revised Budget	2 nd revised Budget	Actual to Date	Variance
Executive & Council	55,142,663	63,829,685	62,065,711	44,101,721	71%
Finance & Administration	18,263,442	19,604,043	19,568,782	11,061,205	57%
Planning & Development	9,556,404	12,106,397	13,710,668	5,431,540	40%
Health	10,878,724	10,301,078	10,341,864	6,368,156	62%
Community & Social	4,914,422	4,926,781	4,825,400	2,076,565	43%
Other	1,160,000	4,400,000	4,400,000	4,095,243	93%
Total	99,915,655	115,167,984	114,912,425	73,134,430	64%

Capital expenditure

The Disaster Management Project under Community and Social is progressing slower than expected but it is expected that expenses will pick up from now on. Expenses under Finance and Administration will also increase as bids will be awarded shortly.

GFS classification	Original Budget	Revised Budget	2 nd revised Budget	Actual to Date	Variance %
Executive & Council	370,000	447,920	500,330	350,447	-30%
Finance & Administration	1,675,000	2,155,000	2,155,000	952,394	-56%
Planning & Development	60,000	60,000	60,000	13,048	-78%
Health	50,000	50,000	50,000	8,499	-83%
Community & Social	6,020,000	7,939,000	7,939,000	2,408,484	-70%
Other					#DIV/0!
Total	8,175,000	10,651,920	10,704,330	3,732,872	-65%

Income

The following table reflects income in the GFS (General Finance Statistics) format.

Although the LED and Planning category reflects a 22% variance the money has been received however the reporting part is done after expenses incurred.

<i>GFS Classification</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>2 nd revised Budget</i>	<i>Actual to Date</i>	<i>Variance</i>
Council General	93,735,000	93,950,000	94,135,211	94,049,211	0%
Finance Services	4,065,000	4,536,701	4,201,464	3,490,299	-17%
LED & Planning	790,000	790,000	790,000	617,720	-22%
Total	98,590,000	99,276,701	99,126,675	98,157,230	-1%

4. WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS: SECTION 11(4)

In terms of paragraph 11 (4) the accounting officer must within 30 days after each quarter table a consolidated report on all withdrawals made in terms of subsection (1)(b) to (j) during that quarter and submit a copy of the report to the Provincial Treasury and Auditor General.

The consolidated report follows:

MFMA : Section 11(4)	(b)	to defray expenditure authorised in terms of section 26(4);	None
	(c)	to defray unforeseeable and unavoidable expenditure authorised in terms of section 29(1);	None
	(d)	in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section:	None
	(e)	to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including-	None
		(i) money collected by the municipality on behalf of that person or organ of by agreement: or	None

	(ii) any insurance or other payments received by the municipality for that person or organ of state;	None
(f)	to refund money incorrectly paid into a bank account;	None
(g)	to refund guarantees, sureties and security deposits;	None
(h)	for cash management and investment purposes in accordance with section 13;	R 42 000 000
(i)	to defray increased expenditure in terms of section 31; or	None
(j)	for such other purposes as may be prescribed.	None

5. EXPENDITURE ON STAFF BENEFITS: SECTION 66 OF MFMA

In terms of paragraph 66 of the MFMA , the accounting officer, must in a format and periods that may be prescribed, report to Council on all expenditure incurred by the municipality on staff salaries.

The following schedule indicates the actual expenditure against the budgeted amounts.

SECTION	ITEM	BUDGET	REVISED BUDGET	ACTUAL TO DATE
66 (a)	Salaries	29,760,541	29,499,400	18,726,492
66 (b)	Contributions: pension & medical	6,214,147	6,264,040	4,515,030
66 (c)	Travel , motor car etc.	5,078,141	4,823,785	3,830,673
66 (d)	Housing benefits	391,154	373,182	169,345
66 (e)	Overtime	0	338,810	369,934
66 (g)	Other, bonuses, long service and standby	2,372,610	2,466,743	1,405,595
TOTAL FOR 9 MONTHS		43,816,593	43,765,960	29,017,069

SUPPLY CHAIN REPORT

SCM Reg. 6(3) states that:

“The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Mayor of the municipality”

The supply chain management section was established and a Head was appointed to execute the duties of the unit. Bid committees were also appointed and are functional. Monthly reporting to National Treasury is done.

Tenders awarded

No tenders were awarded for the period under concern.

Deviations

- In terms of paragraph 5.6 of the Supply Chain Management Policy the Municipal Manager may dispense with the prescribed processes and authorize the acquisition of goods or services through any convenient process.
- Reasons for any exemption granted must be recorded and submitted to the Council.

NAME OF COMP.	DEPARTMENT	IN TERMS OF SECTION OF SCM POLICY	AMOUNT	REASON
GOVERNANCE	OFFICE OF MUNICIPAL MANAGER	5.6 (b)	R 49 980.00	SP ONLY COMPANY TO PROVIDE BOOKLET
KELVIN FLAVOUR EVENTS	OFFICE OF EXECUTIVE MAYOR	5.6 (c)	R 65 000.00	TIME TO ADVERTISE ISUFFICIENT
GRANNY ZWANE TRADING	OFFICE OF EXECUTIVE MAYOR	5.6 (c)	R40 000.00	NO RESPONSES RECEIVED ON ADVERTISEMENT

Challenges

- ✓ Further training on the responsibilities of the bid specification and evaluation committees is necessary.

LEGAL IMPLICATION

Adherence to MFMA.

FINANCIAL IMPLICATION

None

RECOMMENDATION

That the report be noted.